

Message Text

CONFIDENTIAL

PAGE 01 STATE 218409

44

ORIGIN EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

CU-02 IO-13 OES-06 COME-00 TRSE-00 CIEP-01 AGR-05

FBO-02 MMO-01 PER-01 SCA-01 CEA-01 OMB-01 /100 R

DRAFTED BY EUR/EE:THGERTH/RN

APPROVED BY C:MR. SONNENFELDT

EUR:MR.AR;ITAG-

S/P:MR. KAPLAN

H:MR. NELSON

USIA:MR. ARNOLD

S/S- APSHANKLE

EB/EWT:MR. KOPP

EB/OMA:MS. ERVIN

CU/EE:MR. RICHMOND

IO/ML:RM. MACUK

OES/SEA:MR. GANLEY

INR/RES:MR. MATUSEK

INR/REC:MR. KOHN

COMM/BEWT:MR. DOWNEY

TRES:MR. VASTINE

CIEP:MR. EVANS

DOD/ISA:CAPT. STEELE

USDA:MR. BROWN

A/FBO:MR. STANGE

----- 098065

R 022356Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY BUDAPEST

C O N F I D E N T I A L STATE 218409

E.O. 11652: GDS

TAGS: OGEN, HU

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 218409

SUBJECT: 1976 ANNUAL POLICY ASSESSMENT-HUNGARY

REF: BUDAPEST 0280

1. AN INTERAGENCY GROUP HAS REVIEWED THE EMBASSY'S 1976 POLICY ASSESSMENT TOGETHER WITH THOSE FOR CZECHOSLOVAKIA AND BULGARIA. A SEPARATE TELEGRAM IS BEING SENT REPORTING ON THE DISCUSSION OF SEVERAL THEMES COMMON TO U.S. RELATIONS WITH ALL THREE COUNTRIES. THIS MESSAGE RESPONDS SPECIFICALLY TO EMBASSY BUDAPEST'S ASSESSMENT AND SETS FORTH POLICY OBJECTIVES AND COURSES OF ACTION FOR U.S. RELATIONS WITH HUNGARY. WE FOUND THE EMBASSY'S ASSESSMENTS (BUDAPEST 280 AND 315) AND THE CABLE "DOES HUNGARY HAVE A FOREIGN POLICY?" (BUDAPEST 391) COMPREHENSIVE AND USEFUL.

2. POLICY OBJECTIVES. OUR CHIEF INTEREST IN THE REGION OF EAST-CENTRAL EUROPE CONTINUES TO BE THAT IDENTIFIED IN THE 1973 EUROPARA FOR HUNGARY AND DEFINED IN YOUR ASSESSMENT: THE EVOLUTION OF THE INDIVIDUAL STATES INTO MORE INDEPENDENT ENTITIES, MORE RESPONSIVE TO THE INTERESTS OF THEIR PEOPLE, AND MAINTENANCE AND EXPANSION OF THE EXISTING IDENTIFICATION OF THE PEOPLE OF THIS AREA

WITH THE WEST. THIS WOULD REDUCE SOVIET INFLUENCE AND WEAKEN THE POTENTIAL FOR SOVIET MILITARY ACTION FROM ADVANCED POSITIONS IN CENTRAL EUROPE. OUR SPECIFIC INTERESTS IN HUNGARY INCLUDE, AS YOU HAVE INDICATED, CONTINUED HUNGARIAN PURSUIT OF THE NEW ECONOMIC MECHANISM (NEM) WITHOUT POLITICAL INSTABILITY; PROTECTION OF U.S. CITIZEN INTERESTS; IMPLEMENTATION BY HUNGARY OF THE PROVISIONS OF THE CSCE FINAL ACT; EXPANSION OF U.S. EXPORTS AND COMMERCIAL PRESENCE IN HUNGARY; AND MAINTENANCE OF THE TRADITIONAL WESTERN ORIENTATION OF THE HUNGARIAN PEOPLE.

3. PROGRESS TOWARD U.S. OBJECTIVES: WE NOTE THAT OVER THE PAST YEAR THE GOH HAS SHOWN AN INCREASED WILLINGNESS TO IMPROVE RELATIONS WITH THE UNITED STATES. WE HAVE RECIPROCATED THIS WILLINGNESS AS THE PRESIDENT'S RECEP-
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 218409

TION OF DEPUTY PRIME MINISTER SZEKER IN MAY AMPLY DEMONSTRATES. SENIOR-LEVEL VISITS IN BOTH DIRECTIONS HAVE NOT ONLY SIGNALLED THE STEPPED-UP PACE OF OUR RELATIONSHIP, BUT ALSO PROVIDED A USEFUL OPPORTUNITY FOR LEADERS IN EACH COUNTRY TO LEARN AT FIRST HAND THE CONCERNS OF THE OTHER COUNTRY. DESPITE THE LACK OF MFN, BILATERAL TRADE CONTINUES TO INCREASE. IMPORTANT NEW COOPERATION AGREEMENTS HAVE BEEN SIGNED, INCLUDING THE FIRST JOINTEQUI-

TY VENTURE BETWEEN US AND HUNGARIAN FIRMS. IN RECENT MONTHS WE HAVE SUCCEEDED IN GETTING THE GOH TO ELIMINATE SEVERAL VESTIGES OF OUR PAST RELATIONSHIP - THE LIFTING OF RESTRICTIONS ON EMBASSY INFORMATION ACTIVITIES, RECIPROCAL ELIMINATION OF TRAVEL RESTRICTIONS ON DIPLOMATS AND OFFICIALS AND SPEEDIER VISA ISSUANCE FOR THIS GROUP. HUNGARIAN MEDIA TREATMENT OF THE U.S. HAS NOTICEABLY IMPROVED, ALTHOUGH OCCASIONAL ITEMS STILL DO RANKLE. EARLY THIS YEAR THE GOH FINALLY NOMINATED CANDIDATES FOR OUR INTERNATIONAL VISITORS PROGRAM; WE HAD BEEN AWAITING THESE NOMINATIONS SINCE THE FALL OF 1974. TEN TOP FLIGHT LEADERS IN VARIOUS AREAS OF CULTURE, EDUCATION AND THE SOCIAL SCIENCES HAVE NOW COMPLETED THEIR VISITS, WHICH BOTH SIDES LABEL AS VERY SUCCESSFUL.

4. THE NEW, ACTIVE AND PERSONABLE HUNGARIAN AMBASSADOR IN WASHINGTON HAS MOVED QUICKLY TO ADVANCE CONTACTS IN THE ADMINISTRATION AND CONGRESS TOWARD A LEVEL MORE APPROPRIATE TO THE STATE OF OUR BILATERAL RELATIONS. THE EXPANSION OF THE EMBASSY CONTACTS, PARTICULARLY WITH PARTY OFFICIALS FROM KADAR ON DOWN, IS ALSO AN IMPORTANT PART OF THE IMPROVED DIALOGUE. BETTER CONTACTS HAVE BROUGHT SOME RESULTS, SUCH AS THE HUNGARIAN REFUSAL TO SPEAK ON PUERTO RICO AT THE UN AND BETTER COOPERATION ON DIVIDED FAMILY CASES AND OTHER VISA MATTERS.

5. COURSES OF ACTION: DURING THE COMING YEAR WE WISH TO CONTINUE THE FORWARD MOTION IN OUR BILATERAL RELATIONS. THE GOH IS ALREADY AWARE THAT THE MFN AND CROWN ISSUES, THE MAJOR PROBLEMS IN OUR RELATIONSHIP, ARE UNLIKELY TO BE RESOLVED DURING THIS ELECTION YEAR. THE HUNGARIANS CONTINUE TO FOLLOW THE SOVIET LEAD IN REJECTING A TRADE AGREEMENT UNDER THE TERMS OF THE TRADE ACT OF 1974.
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 218409

SINCE SEVERAL GOH OFFICIALS HAVE ASSURED US THAT HUNGARY COULD NOT ACCEPT A TRADE AGREEMENT BEFORE THE SOVIETS, HUNGARIAN PROSPECTS FOR RECEIVING MFN ARE HEAVILY DEPENDENT ON SOVIET ACTIONS AND ON THE COURSE OF U.S.-SOVIET RELATIONS. IN THE NEXT MONTHS WE PLAN TO UNDERTAKE A DETAILED STUDY OF THE QUESTION OF THE CROWN IN ORDER TO BE IN A POSITION TO MAKE APPROPRIATE POLICY RECOMMENDATIONS IN 1977.

6. FROM THE COMPREHENSIVE LIST OF COURSES OF ACTION MENTIONED IN PARA 5 OF BUDAPEST 280, WE HAVE SELECTED THE FOLLOWING PRIORITY ITEMS WE WISH TO RESOLVE DURING THE NEXT YEAR:

(A) CONCLUSION OF AN ACCEPTABLE CULTURAL/SCIENTIFIC

AGREEMENT AT THE EARLIEST POSSIBLE DATE.

(B) FULL PAYMENT BY THE GOH OF ARREARAGES ON THE WWI RELIEF DEBT (THEREBY MAKING JOHNSON ACT NO LONGER APPLICABLE TO HUNGARY) TOGETHER WITH RESOLUTION OF THE CONFISCATED BLOCKED ACCOUNTS ISSUE.

(C) ONCE ITEMS A AND B ARE SETTLED, DISPOSAL OF EXCESS USG PROPERTY IN HUNGARY, INCLUDING ACQUISITION OF PROPERTIES NEEDED FOR LONG-TERM REQUIREMENTS AND RESOLUTION OF THE INADEQUATE COMPENSATION FOR THE NATIONALIZED ROOSEVELT TER PROPERTIES. (AT THE APPROPRIATE TIME, FBO IS PREPARED TO SEND AN EXPERT TO BUDAPEST TO ASSESS PROPERTIES.)

7. CONTINUED EFFORTS IN THE FOLLOWING AREAS WILL ALSO BE OF MAJOR IMPORTANCE:

(A) REPRESENTATIONS ON DIVIDED FAMILIES. OUR EFFORTS AT "QUIET DIPLOMACY," USING THE LEVER OF CSCE HAVE EFFECTED A REDUCTION IN THE NUMBER OF OUTSTANDING CASES. WE NOTE THAT THERE IS INCREASED CONGRESSIONAL INTEREST AND INVOLVEMENT IN SUPPORT OF THESE CASES.

(B) EXPANDING CONTACTS - WE REALIZE THAT CONTACT-BUILDING IN BUDAPEST, ESPECIALLY WITH POLITICAL AND PARTY OFFICIALS, IS A SLOW AND DIFFICULT TASK. NEVERTHELESS, YOUR PERSISTENT EFFORTS ARE PAYING DIVIDENDS AND CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 218409

SHOULD BE CONTINUED. WE TRUST THAT SENIOR-LEVEL VISITS

WILL CONTINUE IN BOTH DIRECTIONS IN THE POST-ELECTION PERIOD. GOH INVITATIONS ARE OUTSTANDING WITH SEVERAL CONGRESSMEN AND DEPARTMENT OFFICIALS AS WELL AS WITH SECRETARY RICHARDSON. WE WELCOME THE VISIT BY AGRICULTURE MINISTER ROMANY AT THE END OF SEPTEMBER. WE ARE ALSO AWARE OF GOH INTEREST IN A KISSINGER-PUJA MEETING AT THE TIME OF THE UNGA.

(C) BUSINESS FACILITATION - YOU SHOULD CONTINUE TO SUPPORT THE EFFORTS OF AMERICAN BUSINESSMEN TO OPERATE EFFECTIVELY IN HUNGARY, USING THE CSCE PROVISIONS ON WORKING CONDITIONS FOR BUSINESSMEN AS APPROPRIATE.

(D) MEDIA TREATMENT. WE HAVE SEEN A HIGHER LEVEL OF INTEREST IN U.S. AFFAIRS AND BETTER BALANCED TREATMENT IN THE HUNGARIAN MEDIA. NEVERTHELESS, OBJECTIONABLE ARTICLES DO APPEAR FROM TIME TO TIME. WE SHOULD PAY CONTINUING ATTENTION TO THE MEDIA AND PROTEST SPECIFIC OBJECTIONABLE ARTICLES.

(E) MULTILATERAL ISSUES: THE UNITED STATES HAS INTERNATIONAL CONCERNS WHICH FORM AN IMPORTANT PART OF OUR TOTAL RELATIONS WITH EACH COUNTRY. AS U.S.-HUNGARIAN BILATERAL RELATIONS DEVELOP WE MUST ATTEMPT TO PLACE OUR RELATIONSHIP IN THIS BROADER CONTEXT. WE HAVE ALREADY HAD SOME SUCCESS IN DISCUSSING THE ISSUE OF PUERTO RICO WITH THE GOH. ON THIS AND OTHER INTERNATIONAL ISSUES OF SPECIAL SIGNIFICANCE WE MUST MAKE OUR POSITIONS CLEAR TO THE GOH AND SEEK THEIR RESPONSIVENESS TO OUR CONCERNS.

8. RE BUDAPEST 315 ON HUNGARIAN-YUGOSLAV RELATIONS, WE AGREE THAT THE GOH ACTIONS WITH RESPECT TO YUGOSLAVIA ARE AND WILL CONTINUE TO BE INFLUENCED GREATLY BY SOVIET DEMANDS. ANY GOH ACTIVITY OR ANY ACTIVITY DIRECTED THROUGH HUNGARY WHICH WOULD THREATEN THE STABILITY OF YUGOSLAVIA OR SEEK TO TAKE ADVANTAGE OF A CRITICAL SITUATION IN YUGOSLAVIA WOULD BE OF MAJOR IMPORTANCE TO THE U.S. WERE SUCH ACTIVITIES TO ARISE, WE WOULD NEED TO

CONFIDENTIAL

PAGE 06 STATE 218409

PLACE OUR CONCERNS BEFORE THE GOH AND TO INFORM IT THAT WE CONSIDER HUNGARY AS A SOVEREIGN NATION RESPONSIBLE FOR THOSE ACTIVITIES. IN ORDER TO LAY THE BASE FOR SUCH A DEMARCHE IN A TIME OF CRISIS, WE SHOULD TAKE ADVANTAGE NOW OF APPROPRIATE OPPORTUNITIES TO DISCUSS WITH THE GOH OUR CONCERN ABOUT BALKAN STABILITY - EVEN THOUGH WE ARE

NOT OPTIMISTIC THAT SUCH DISCUSSIONS WOULD ULTIMATELY INFLUENCE THE HUNGARIAN ATTITUDE. KISSINGER

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 STATE 218409

21
ORIGIN EUR-04

INFO OCT-01 ISO-00 /005 R

66011
DRAFTED BY EUR/EE:THGERTH

APPROVED BY:EUR/EE:CWSCHMIDT

----- 110890

R 141350Z SEP 76

FM SECSTATE WASHDC

INFO RUDKRB/AMEMBASSY BELGRADE 0000

AMEMBASSY BERLIN

AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

C O N F I D E N T I A L STATE 218409

FOLLOWING REPEAT STATE 218409 ACTION AMEMB BUDAPEST DATED 02 SEP 76.

QTE: C O N F I D E N T I A L STATE 218409

E.O. 11652: GDS

TAGS: OGEN, HU

SUBJECT: 1976 ANNUAL POLICY ASSESSMENT-HUNGARY

REF: BUDAPEST 0280

1. AN INTERAGENCY GROUP HAS REVIEWED THE EMBASSY'S 1976 POLICY ASSESSMENT TOGETHER WITH THOSE FOR CZECHOSLOVAKIA AND BULGARIA. A SEPARATE TELEGRAM IS BEING SENT REPORTING ON THE DISCUSSION OF SEVERAL THEMES COMMON TO U.S. RELATIONS WITH ALL THREE COUNTRIES. THIS MESSAGE RESPONDS SPECIFICALLY TO EMBASSY BUDAPEST'S ASSESSMENT AND SETS FORTH POLICY OBJECTIVES AND COURSES OF ACTION FOR U.S. RELATIONS WITH HUNGARY. WE FOUND THE EMBASSY'S ASSESS-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 218409

MENTS (BUDAPEST 280 AND 315) AND THE CABLE "DOES HUNGARY HAVE A FOREIGN POLICY?" (BUDAPEST 391) COMPREHENSIVE AND USEFUL.

2. POLICY OBJECTIVES. OUR CHIEF INTEREST IN THE REGION OF EAST-CENTRAL EUROPE CONTINUES TO BE THAT IDENTIFIED IN THE 1973 EUROPARA FOR HUNGARY AND DEFINED IN YOUR ASSESSMENT: THE EVOLUTION OF THE INDIVIDUAL STATES INTO MORE INDEPENDENT ENTITIES, MORE RESPONSIVE TO THE INTERESTS OF THEIR PEOPLE, AND MAINTENANCE AND EXPANSION OF THE EXISTING IDENTIFICATION OF THE PEOPLE OF THIS AREA

WITH THE WEST. THIS WOULD REDUCE SOVIET INFLUENCE AND WEAKEN THE POTENTIAL FOR SOVIET MILITARY ACTION FROM

ADVANCED POSITIONS IN CENTRAL EUROPE. OUR SPECIFIC INTERESTS IN HUNGARY INCLUDE, AS YOU HAVE INDICATED, CONTINUED HUNGARIAN PURSUIT OF THE NEW ECONOMIC MECHANISM (NEM) WITHOUT POLITICAL INSTABILITY; PROTECTION OF U.S. CITIZEN INTERESTS; IMPLEMENTATION BY HUNGARY OF THE PROVISIONS OF THE CSCE FINAL ACT; EXPANSION OF U.S. EXPORTS AND COMMERCIAL PRESENCE IN HUNGARY; AND MAINTENANCE OF THE TRADITIONAL WESTERN ORIENTATION OF THE HUNGARIAN PEOPLE.

3. PROGRESS TOWARD U.S. OBJECTIVES: WE NOTE THAT OVER THE PAST YEAR THE GOH HAS SHOWN AN INCREASED WILLINGNESS TO IMPROVE RELATIONS WITH THE UNITED STATES. WE HAVE RECIPROCATED THIS WILLINGNESS AS THE PRESIDENT'S RECEPTION OF DEPUTY PRIME MINISTER SZEKER IN MAY AMPLY DEMONSTRATES. SENIOR-LEVEL VISITS IN BOTH DIRECTIONS HAVE NOT ONLY SIGNALLED THE STEPPED-UP PACE OF OUR RELATIONSHIP, BUT ALSO PROVIDED A USEFUL OPPORTUNITY FOR LEADERS IN EACH COUNTRY TO LEARN AT FIRST HAND THE CONCERNS OF THE OTHER COUNTRY. DESPITE THE LACK OF MFN, BILATERAL TRADE CONTINUES TO INCREASE. IMPORTANT NEW COOPERATION AGREEMENTS HAVE BEEN SIGNED, INCLUDING THE FIRST JOINTEQUITY VENTURE BETWEEN US AND HUNGARIAN FIRMS. IN RECENT MONTHS WE HAVE SUCCEEDED IN GETTING THE GOH TO ELIMINATE SEVERAL VESTIGES OF OUR PAST RELATIONSHIP - THE LIFTING OF RESTRICTIONS ON EMBASSY INFORMATION ACTIVITIES, RECIPROCAL ELIMINATION OF TRAVEL RESTRICTIONS ON DIPLOMATS AND

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 218409

OFFICIALS AND SPEEDIER VISA ISSUANCE FOR THIS GROUP. HUNGARIAN MEDIA TREATMENT OF THE U.S. HAS NOTICEABLY IMPROVED, ALTHOUGH OCCASIONAL ITEMS STILL DO RANKLE. EARLY THIS YEAR THE GOH FINALLY NOMINATED CANDIDATES FOR OUR INTERNATIONAL VISITORS PROGRAM; WE HAD BEEN AWAITING THESE NOMINATIONS SINCE THE FALL OF 1974. TEN TOP FLIGHT LEADERS IN VARIOUS AREAS OF CULTURE, EDUCATION AND THE SOCIAL SCIENCES HAVE NOW COMPLETED THEIR VISITS, WHICH BOTH SIDES LABEL AS VERY SUCCESSFUL.

4. THE NEW, ACTIVE AND PERSONABLE HUNGARIAN AMBASSADOR IN WASHINGTON HAS MOVED QUICKLY TO ADVANCE CONTACTS IN THE ADMINISTRATION AND CONGRESS TOWARD A LEVEL MORE APPROPRIATE TO THE STATE OF OUR BILATERAL RELATIONS. THE EXPANSION OF THE EMBASSY CONTACTS, PARTICULARLY WITH PARTY OFFICIALS FROM KADAR ON DOWN, IS ALSO AN IMPORTANT PART OF THE IMPROVED DIALOGUE. BETTER CONTACTS HAVE BROUGHT SOME RESULTS, SUCH AS THE HUNGARIAN REFUSAL TO SPEAK ON PUERTO RICO AT THE UN AND BETTER COOPERATION ON DIVIDED FAMILY CASES AND OTHER VISA MATTERS.

5. COURSES OF ACTION: DURING THE COMING YEAR WE WISH TO CONTINUE THE FORWARD MOTION IN OUR BILATERAL RELATIONS. THE GOH IS ALREADY AWARE THAT THE MFN AND CROWN ISSUES, THE MAJOR PROBLEMS IN OUR RELATIONSHIP, ARE UNLIKELY TO BE RESOLVED DURING THIS ELECTION YEAR. THE HUNGARIANS CONTINUE TO FOLLOW THE SOVIET LEAD IN REJECTING A TRADE AGREEMENT UNDER THE TERMS OF THE TRADE ACT OF 1974. SINCE SEVERAL GOH OFFICIALS HAVE ASSURED US THAT HUNGARY COULD NOT ACCEPT A TRADE AGREEMENT BEFORE THE SOVIETS, HUNGARIAN PROSPECTS FOR RECEIVING MFN ARE HEAVILY DEPENDENT ON SOVIET ACTIONS AND ON THE COURSE OF U.S.-SOVIET RELATIONS. IN THE NEXT MONTHS WE PLAN TO UNDERTAKE A DETAILED STUDY OF THE QUESTION OF THE CROWN IN ORDER TO BE IN A POSITION TO MAKE APPROPRIATE POLICY RECOMMENDATIONS IN 1977.

6. FROM THE COMPREHENSIVE LIST OF COURSES OF ACTION MENTIONED IN PARA 5 OF BUDAPEST 280, WE HAVE SELECTED THE FOLLOWING PRIORITY ITEMS WE WISH TO RESOLVE DURING THE NEXT YEAR:
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 218409

(A) CONCLUSION OF AN ACCEPTABLE CULTURAL/SCIENTIFIC AGREEMENT AT THE EARLIEST POSSIBLE DATE.
(B) FULL PAYMENT BY THE GOH OF ARREARAGES ON THE WWI RELIEF DEBT (THEREBY MAKING JOHNSON ACT NO LONGER APPLICABLE TO HUNGARY) TOGETHER WITH RESOLUTION OF THE CONFISCATED BLOCKED ACCOUNTS ISSUE.
(C) ONCE ITEMS A AND B ARE SETTLED, DISPOSAL OF EXCESS USG PROPERTY IN HUNGARY, INCLUDING ACQUISITION OF PROPERTIES NEEDED FOR LONG-TERM REQUIREMENTS AND RESOLUTION OF THE INADEQUATE COMPENSATION FOR THE NATIONALIZED ROOSEVELT TER PROPERTIES. (AT THE APPROPRIATE TIME, FBO IS PREPARED TO SEND AN EXPERT TO BUDAPEST TO ASSESS PROPERTIES.)

7. CONTINUED EFFORTS IN THE FOLLOWING AREAS WILL ALSO BE OF MAJOR IMPORTANCE:

(A) REPRESENTATIONS ON DIVIDED FAMILIES. OUR EFFORTS AT "QUIET DIPLOMACY," USING THE LEVER OF CSCE HAVE EFFECTED A REDUCTION IN THE NUMBER OF OUTSTANDING CASES. WE NOTE THAT THERE IS INCREASED CONGRESSIONAL INTEREST AND INVOLVEMENT IN SUPPORT OF THESE CASES.

(B) EXPANDING CONTACTS - WE REALIZE THAT CONTACT-BUILDING IN BUDAPEST, ESPECIALLY WITH POLITICAL AND PARTY OFFICIALS, IS A SLOW AND DIFFICULT TASK. NEVERTHELESS, YOUR PERSISTENT EFFORTS ARE PAYING DIVIDENDS AND

SHOULD BE CONTINUED. WE TRUST THAT SENIOR-LEVEL VISITS

WILL CONTINUE IN BOTH DIRECTIONS IN THE POST-ELECTION PERIOD. GOH INVITATIONS ARE OUTSTANDING WITH SEVERAL CONGRESSMEN AND DEPARTMENT OFFICIALS AS WELL AS WITH SECRETARY RICHARDSON. WE WELCOME THE VISIT BY AGRICULTURE MINISTER ROMANY AT THE END OF SEPTEMBER. WE ARE ALSO AWARE OF GOH INTEREST IN A KISSINGER-PUJA MEETING AT THE TIME OF THE UNGA.

(C) BUSINESS FACILITATION - YOU SHOULD CONTINUE TO SUPPORT THE EFFORTS OF AMERICAN BUSINESSMEN TO OPERATE EFFECTIVELY IN HUNGARY, USING THE CSCE PROVISIONS ON WORKING
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 218409

CONDITIONS FOR BUSINESSMEN AS APPROPRIATE.

(D) MEDIA TREATMENT. WE HAVE SEEN A HIGHER LEVEL OF INTEREST IN U.S. AFFAIRS AND BETTER BALANCED TREATMENT IN THE HUNGARIAN MEDIA. NEVERTHELESS, OBJECTIONABLE ARTICLES DO APPEAR FROM TIME TO TIME. WE SHOULD PAY CONTINUING ATTENTION TO THE MEDIA AND PROTEST SPECIFIC OBJECTIONABLE ARTICLES.

(E) MULTILATERAL ISSUES: THE UNITED STATES HAS INTERNATIONAL CONCERNS WHICH FORM AN IMPORTANT PART OF OUR TOTAL RELATIONS WITH EACH COUNTRY. AS U.S.-HUNGARIAN BILATERAL RELATIONS DEVELOP WE MUST ATTEMPT TO PLACE OUR RELATIONSHIP IN THIS BROADER CONTEXT. WE HAVE ALREADY HAD SOME SUCCESS IN DISCUSSING THE ISSUE OF PUERTO RICO WITH THE GOH. ON THIS AND OTHER INTERNATIONAL ISSUES OF SPECIAL SIGNIFICANCE WE MUST MAKE OUR POSITIONS CLEAR TO THE GOH AND SEEK THEIR RESPONSIVENESS TO OUR CONCERNS.

8. RE BUDAPEST 315 ON HUNGARIAN-YUGOSLAV RELATIONS, WE AGREE THAT THE GOH ACTIONS WITH RESPECT TO YUGOSLAVIA ARE AND WILL CONTINUE TO BE INFLUENCED GREATLY BY SOVIET DEMANDS. ANY GOH ACTIVITY OR ANY ACTIVITY DIRECTED THROUGH HUNGARY WHICH WOULD THREATEN THE STABILITY OF YUGOSLAVIA OR SEEK TO TAKE ADVANTAGE OF A CRITICAL SITUATION IN YUGOSLAVIA WOULD BE OF MAJOR IMPORTANCE TO THE U.S. WERE SUCH ACTIVITIES TO ARISE, WE WOULD NEED TO PLACE OUR CONCERNS BEFORE THE GOH AND TO INFORM IT THAT WE CONSIDER HUNGARY AS A SOVEREIGN NATION RESPONSIBLE FOR THOSE ACTIVITIES. IN ORDER TO LAY THE BASE FOR SUCH A DEMARCHE IN A TIME OF CRISIS, WE SHOULD TAKE ADVANTAGE NOW OF APPROPRIATE OPPORTUNITIES TO DISCUSS WITH THE GOH OUR CONCERN ABOUT BALKAN STABILITY - EVEN THOUGH WE ARE

NOT OPTIMISTIC THAT SUCH DISCUSSIONS WOULD ULTIMATELY
INFLUENCE THE HUNGARIAN ATTITUDE. KISSINGER
UNQTE ROBINSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 02 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE218409
Document Source: CORE
Document Unique ID: 00
Drafter: THGERTH/RN
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760335-0073
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760995/aaaaddyh.tel
Line Count: 496
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 BUDAPEST 280
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 12 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 APR 2004 by CollinP0>; APPROVED <02 AUG 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 1976 ANNUAL POLICY ASSESSMENT-HUNGARY
TAGS: OGEN, HU
To: BUDAPEST
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006